

## **4 FAH-3 H-320 COLLECTIONS**

*(TL:FMP-19; 06-18-2003)*  
*(Office of Origin: RM/GFS/FPRA/FPMC)*

### **4 FAH-3 H-321 RECEIVING, IDENTIFYING AND RECORDING COLLECTIONS**

#### **4 FAH-3 H-321.1 Receiving Collections**

*(TL:FMP-2; 04-30-1995)*

- a. A U.S. Disbursing Officer (USDO) and Class B Cashier are authorized to receive all collections, including consular fees. In addition, such other employees as are necessary may be designated as subcashiers to receive collections including consular fees. The number of employees entrusted with this function is kept to a minimum consistent with good management. These employees are personally responsible and accountable for the custody and safekeeping of all funds received until the funds have been turned over to a USDO or a Class B Cashier and a receipt has been obtained. (Accounting and Procedures Manual 7-6.8, General Accounting Office.)
- b. Cashier procedures for receiving collections are detailed in 4 FAM 396 and Serviced Post User Manual (SPUM) Appendix A (Sections 6.0 and 7.0).
- c. In accepting negotiable instruments for collections, the cashier exercises the precautions and records the information required in 4 FAM 361.6-3 d and SPUM Appendix A Section 5.4.

#### **4 FAH-3 H-321.2 Identifying Collections**

*(TL:FMP-9; 04-30-1998)*

All collections are to be carefully examined before processing to determine the purpose of the collection and the proper fund to be credited. Collections fall into two major categories, determined by their purpose and ultimate accounting.

- a. Official Collections

- (1) Refunds are collected funds that are returned to an appropriation and allotment previously charged. These are immediately available for obligation if the appropriation and allotment previously charged are still available for obligation. Collections received after an account is closed, which could have been credited to the appropriation account if received prior to closing, must be deposited in the Treasury as miscellaneous receipt. Examples:
  - Repayments of unused travel advances;
  - Refunds of suspended items or collections of improper payments not yet entered in suspense accounts;
  - Employees' personal telephone calls through official facilities; and
- (2) Reimbursements are amounts collected for goods and services furnished and credited to the appropriation originally charged. Reimbursements differ from refunds in that they are credited only at the appropriation level and are not subject to apportionment and reapportionment. They are not immediately available for obligation. Examples:
  - Amounts received as rent for government-owned or long-term leased buildings;
  - Amounts received for utilities furnished to tenants of Government-owned or long-term leased buildings;
  - Repayments of lump-sum leave payments credited to the appropriation from which the employee's salary was paid; and
  - Amounts received in payment for loss or destruction of, or damage to, Government-owned property.

The refunds and reimbursements above are included in the generic term "repayments" used throughout this subchapter, since they replace funds which were or will be paid from an agency's appropriation.

- (3) General Fund Receipts are amounts received from other miscellaneous sources and treated as miscellaneous receipts of the U.S. Government (a credit to the Treasury). (See 4 FAH-3 H-321 Exhibit H-321.2).

b. Deposit and Trust Funds, and Clearing Accounts.

- (1) Clearing Accounts are used for funds temporarily deposited until the

proper accounting can be determined.

- (2) Deposit Funds are funds deposited pending disposition for purposes specified by the depositor. The U.S. Government takes temporary custody of the funds.
- (3) Funds are deposited and controlled at the Department for citizens' services overseas (19X6875). Funds are also deposited overseas for a variety of purposes. The Suspense Deposits Abroad (SDA) Account 19X6809 is the specific account universally used by posts for these collections, as detailed in SPUM, Appendix A (Section 9.0).

## **4 FAH-3 H-321.3 Recording Collections**

*(TL:FMP-2; 04-30-1995)*

- a. All funds collected are recorded on Form OF-158, General Receipt, a pre-numbered, accountable official form signed out in blocks by the USDO or Financial Management Officer to the cashier. Procedures for using the form are in SPUM Appendix A (Section 6.0).
- b. Appropriations, allotments or other accounts to be entered on Form OF-158 for official collections are listed in 4 FAH-1. The person giving the funds to the cashier should provide or obtain the data for the cashier to enter as the correct credit. If the credit cannot be determined immediately, the deposit is credited to the Budget Clearing Account (Suspense) (--F3875) of the agency for which the collection is received. If the agency is not known, the deposit is credited to STATE Suspense Account 19F3875. If the proper credit cannot be determined, the post consults the Department, FMP/F/FMS/FPMC. When the fiscal data becomes known, the post prepares a journal voucher transferring the deposit from the suspense account to the correct account.
- c. Money collected by the Consular Cashier is turned over daily to the Class B Cashier, following the procedure outlined in SPUM Appendix A (Section 6.1). Consular collections are kept with the other collections received by the Class B Cashier.

## **4 FAH-3 H-321.4 Monitoring Accountability**

*(TL:FMP-2; 04-30-1995)*

One of the most important documents maintained in the cashier operation is Form OF-209, Accountability Record. A separate record is maintained by the cashier for collections, including all official collections and suspense deposits.

Although the cashier receives reports from the USDO confirming the recording of collections, these reports do not replace Form OF-209, Accountability Record as the most current record of collections for which the cashier is accountable.

## **4 FAH-3 H-321.5 Handling Collections**

### **4 FAH-3 H-321.5-1 Separation of Cashier Fund**

*(TL:FMP-2; 04-30-1995)*

Collected funds including consular fees are always kept physically separated from the cashier's operating cash advance. Separate OF-209, Accountability Records are maintained for the operating advance and the collections, and separate verifications are performed by verifying officers. (SPUM Appendix A Section 12.0.)

### **4 FAH-3 H-321.5-2 Use of Collected Funds**

*(TL:FMP-2; 04-30-1995)*

Cashiers may not use collections to make disbursements. Collected funds may be used to cash replenishment checks, or to reduce replenishments, which then makes collected cash available for disbursements. (See 4 FAH-3 H-395.5-5.)

### **4 FAH-3 H-321.5-3 Limits on Amounts and Retention Time**

*(TL:FMP-2; 04-30-1995)*

Overseas cashiers may hold collections for deposit until the amount of collections reaches five thousand dollars (\$5,000), or until the end of each week. (See 4 FAH-3 H-396.3). Since disbursing officers must use available collections before purchasing local currency, the USDO may require more frequent deposits of cashier collections based on such factors as volume of collections, stability of exchange rate, ease of transmission of collections, and distance or time.

### **4 FAH-3 H-321.5-4 Exchange Rate for Collections**

*(TL:FMP-2; 04-30-1995)*

With few exceptions, cashiers use the prevailing rate of exchange. This is the most favorable rate that would be available to the U.S. Government for

the acquisition of foreign exchange for its official disbursements and accommodation exchange transactions. The USDO supplies this rate to the post, by telegram. If directed by the USDO, the cashier may obtain a daily rate from the bank. Class B cashiers are responsible for notifying alternate and subcashiers of the daily rate.

#### **4 FAH-3 H-321.5-5 Guidelines for Accepting Collections**

*(TL:FMP-2; 04-30-1995)*

- a. When refunds or reimbursements are due as repayments to an appropriation or other fund, the obligation to the United States is considered satisfied if the same kind of currency units is collected as was originally paid and in the number of units for which repayment is due. (The amount due may be less than the amount originally paid as a travel advance.) Local currency can be collected in payment of an amount due in local currency. Dollars can be collected for dollars due.
- b. A refund or reimbursement may also be accepted in a currency different from that originally paid. The number of units repaid in one currency must be equivalent on the date of repayment to the number of currency units due in the other currency. This principle applies to all collections whether the original payment was in U.S. dollars or local currency. To compute the equivalent units to be repaid, different rates are used for different situations.
  - (1) Amounts due in U.S. dollars can be collected in local currency at the bank's selling rate of exchange (the rate at which the bank sells dollars). Collections such as consular fees may be made at rates slightly higher than the bank selling rate to avoid handling numerous coins of small denomination, or if coins are not readily available. This adjusted rate is the "consular rate", set jointly by the Consular Officer and the Financial Management Officer, and used by both the consular section for collecting fees and the Class B Cashier on Form OF-158 General Receipt for consular collections.
  - (2) Amounts due in local currency may be collected in U.S. dollars at the prevailing rate of exchange.
  - (3) Amounts due in local currency which must be reported in U.S. dollars are converted to dollar equivalents at the same rates used (if known) for converting the original local currency payments, i.e. (refunds of travel advances, erroneous payments, overpayments, or other payments from official funds.) If the original rates are not known, the collected amounts are converted to dollar equivalents at the prevailing rate on date of collection, i.e. (proceeds of sale of

surplus materials.)

## **4 FAH-3 H-322 DEPOSIT AND TRUST FUNDS**

### **4 FAH-3 H-322.1 Deposits Made at the Department in Washington**

*(TL:FMP-2; 04-30-1995)*

- a. When deposit funds are received from individuals, firms, agencies, charitable institutions or other sources in the United States for payment through a cashier or USDO overseas, to designated persons or for stated purposes, the funds are deposited to the Deposit Fund Account 19X6875. Funds are controlled in Washington. The Department authorizes posts by telegram or other instruction to disburse funds from the deposit to designated persons or for the stated purposes.
- b. Upon receipt of an authorization from the Department, the post arranges to make the payments in the most feasible manner. Payments are vouchered and charged to the Deposit Fund Account 19X6875. When all transactions related to the specific deposit are completed, the post prepares a journal voucher to close out any remaining balance, notifies the Department of the amount to be refunded to the depositor, assembles copies of all payment documents and forwards them to the office which issued the instructions to pay.
- c. When instructed to do so, the post makes interim reports showing payments made and balances remaining.
- d. Most deposits at the Department cover consular matters, which are covered in 7 FAM 340.

### **4 FAH-3 H-322.2 Deposits Made at Overseas Posts**

#### **4 FAH-3 H-322.2-1 Suspense Deposits Abroad (SDA)**

*(TL:FMP-2; 04-30-1995)*

- a. Funds over \$25 collected at posts for services to be rendered or billed, or for safekeeping, are recorded as official collections to the Suspense Deposits Abroad Account (SDA), 19X6809. Collections and disbursements under this fund are controlled by the Class B Cashier. If there is no State Department cashier, the two-digit code of the employee's agency may be

prefixed to the fund symbol X6809.

- b. Depositors may be individuals, firms, agencies, charitable institutions, or other legal sources. Examples of payments to be made from the deposits are those for interested party messages, consular fees, employees' personal share of telephone, gasoline or utility bills, or other payments approved by the Financial Management Officer.
- c. Official collections, regardless of amount, which are designated at time of collection for credit to other government funds, are recorded against the agency funds and not as SDA deposits.

#### **4 FAH-3 H-322.2-2 Documentation**

*(TL:FMP-2; 04-30-1995)*

- a. Deposits to the Suspense Deposits Abroad (SDA) Account are receipted on Form OF-158, General Receipt, in the same manner as for other official collections, except that copy 5 is used to record and control future payments made against the deposit. The SPUM Appendix A Section 6.2 includes details on this use of Form OF-158.
- b. Since the SDA account is maintained in dollars, a local currency deposit is converted to the U.S. dollar equivalent at the prevailing rate. This rate at the time of collection is then used for payments against the deposit.

#### **4 FAH-3 H-322.2-3 Collection Action**

*(TL:FMP-2; 04-30-1995)*

- a. SDA collections deposited to 19X6809 are recorded in the cashier's Form OF-209, Accountability Record and the financial management records in the same manner as other official collections. Monies received are not held separately, but are deposited, remitted, or retained together with other official collections.
- b. An exception may be made for currencies received from a consular officer for safekeeping, pending the disposition of a personal estate of a deceased U.S. citizen. Although accounted for as official SDA collections under 19X6809, the monies may be retained in separate form and in the same condition as received, until disbursed or remitted to the legal representative of the estate or to the Department. (See 7 FAM 645).

#### **4 FAH-3 H-322.2-4 Payment Action**

*(TL:FMP-2; 04-30-1995)*

SDA payments may be made by a check from a disbursing officer or in cash from the cashier's operating cash advance. Payments in foreign currency are made at the same exchange rate as originally collected. Payments including refunds of unused balances to depositors are recorded in the financial management system in the same manner as other official payments. An SDA payment cannot exceed the credit balance remaining in the SDA account for the depositor. After all payments are made, including any refund, the account balance must be zero.

#### **4 FAH-3 H-322.2-5 Control and Reporting of SDA Balances**

*(TL:FMP-2; 04-30-1995)*

- a. SDA collections and payments are recorded to copy 5 of Form OF-158 General Receipt or to another acceptable record. This SDA record provides control figures for the verification of credit balances shown on all active General Receipts, and for the monthly reconciliation of collection and payment totals reported on the Disbursing Officer's Statement of Transactions, Form SF-1221.
- b. SDA collections and payments are reported monthly on RAMC/FMC reports along with travel advances and other memorandum accounts. Negative reporting is not required. Credit balances are shown for fund symbol 19X6809 and the post program allotment.

#### **4 FAH-3 H-322.2-6 Disposition Of Unused SDA Balances**

*(TL:FMP-2; 04-30-1995)*

- a. Instructions for the disposition of unclaimed balances in SDA accounts (and other deposit funds) are set forth in Treasury Financial Manual Part 6-3000 Payments of Unclaimed Monies and Refund of Monies Erroneously Received and Covered.
- b. Balances in SDA accounts must be reviewed quarterly to determine if there are unclaimed balances which may be refunded to the depositor. Amounts of \$25 or more should be returned promptly to the depositor without the presentation of a claim. (Any unused balance is refunded immediately when requested by the depositor.) At the end of each fiscal year, accounts having remaining balances with no further payments anticipated, should be processed according to Treasury criteria.
- c. Properly refundable balances which have been held for more than one year and cannot be refunded because the depositor's whereabouts are



unknown, are to be transferred to Treasury account 20X6133 "Payment of Unclaimed Monies" if the following criteria are met:

- Amount is \$25 or more;
  - A refund, upon claim, would be absolutely justified;
  - There is no doubt as to legal ownership of the funds; and
  - A named individual, business, or other entity can be identified with the item.
- d. Form OF-1017, Journal Voucher, or comparable form is prepared for the total of all balances meeting these criteria, transferring the total from SDA Account X6809 to Treasury account 20X6133. The voucher must bear the notation "Unclaimed Balances". A list is attached to include the following for each SDA balance: name of depositor, last known address, Form OF-158 receipt number by which collected, and the U.S. dollar equivalent amount. The transfer is noted on the cashier's control copy of each OF-158 receipt.
- e. Unclaimed balances of less than \$25, or amounts of \$25 or more that have been held for more than one year but do not meet the criteria in paragraph c. above, are transferred on a Journal Voucher from SDA Account X6809 to Treasury miscellaneous receipt account \_\_1060 "Forfeitures of Unclaimed Money and Property". For balances over \$25, a depositor list similar to that in paragraph c. and a total amount is included with the voucher. A total of all balances of less than \$25 is shown with the legend "Unclaimed balances of less than \$25". The transfer is noted on the cashier's control copy of each OF-158 Receipt.

#### **4 FAH-3 H-322.2-7 Subsequent Requests for Transferred SDA Balances**

*(TL:FMP-2; 04-30-1995)*

- a. Refunds of SDA balances which have been transferred to Treasury accounts may be made without settlement action by the General Accounting Office (GAO). However, if there is any doubt concerning the propriety or legality of a claim for payment, the matter should be submitted to the Claims Division of GAO.
- b. Refunds of unclaimed SDA balances from account 20X6133 (See 4 FAH-3 H-322.2-6 c) may be made by check from a voucher certified by an authorized certifying officer, who is responsible for the validity and accuracy of the claim.

- c. Refunds of unclaimed SDA balances from account 1060 (See 4 FAH-3 H-322.2-6 e) may be made by check from a certified voucher. However, the account charged for the payment is 20X1807 "Refund of Monies Erroneously Received and Covered". (This account should be charged only when collections are deposited into Treasury as miscellaneous receipts, and the amount to be refunded is not properly chargeable to any other appropriation.)
- d. Although such refunds are paid from Treasury accounts, the agency making the payment is responsible for including the accounts in its internal audit program and maintaining memorandum accounts with a file of paid disbursement voucher forms and supporting documentation.

## **4 FAH-3 H-323 PROCEEDS OF SALE OF PROPERTY**

### **4 FAH-3 H-323.1 Sources of Proceeds**

*(TL:FMP-2; 04-30-1995)*

- a. Sales of the following categories of property overseas result in proceeds which are collected, recorded and utilized in accordance with the policies in this section. Procedures for collecting and reporting proceeds of sales are in: SPUM Appendix A, Section 6.0; Disbursing User Manual, Section 3; and in 4 FAH-1 H-250.
  - (1) Real property, including land, land improvements, buildings and structures. Sales proceeds from real property are deposited to the Foreign Buildings Appropriation 19X0535 and may be reallocated by the Foreign Buildings Office for obligations. Regulations and procedures for the disposition of real property are in 6 FAM.
  - (2) Personal property, includes vehicles, furniture, equipment, supplies, appliances and machinery. For accounting purposes, program property such as vehicles, security and communications property, are identified separately from other personal property. Personal property located in a foreign area and under the control of a Federal agency may be declared excess to the needs of the agency; proceeds from sales of this property are deposited to the Miscellaneous Receipts account of the Treasury and are not available for obligations. All other personal property for which an agency has a continuing need on a world-wide basis is considered replacement property. Sales proceeds from this property are available for purchasing similar property, in accordance with

regulations below. Regulations and procedures for the disposition of personal property are in 6 FAM.

- (3) Sale of any security equipment should have the approval of the Regional Security Officer responsible for the applicable post. Examples of security equipment include but are not limited to: closed circuit television (CCTV) cameras; locking mechanisms; alarm components; ballistic doors and windows; residential doors and grilles; security vehicles; and metal detectors.
- b. Proceeds of sales of personal property for other Government agencies are processed following regulations of those agencies.

## **4 FAH-3 H-323.2 Processing Proceeds of Sales**

### **4 FAH-3 H-323.2-1 Collection and Documentation**

*(TL:FMP-2; 04-30-1995)*

Monies collected from sales of property are receipted on Form OF-158, General Receipt. Copies of the proof of sale (sales agreement or contract) are attached to the OF-158 copy sent to the USDO and the OF-158 copy for the cashier file.

### **4 FAH-3 H-323.2-2 Expenses of Sale**

*(TL:FMP-2; 04-30-1995)*

- a. Expenses incurred in connection with the sale may be paid directly from the proceeds, with only the net proceeds deposited. If reporting of the deposit would be delayed by waiting to obtain documentation of these expenses, and the expenses are insignificant, the gross proceeds are deposited and the expenses are paid later from post funds. Expenses which may be deducted include advertising, auctioneer fees, customs fees, duties, taxes, commercial transportation, casual labor and equipment rentals. Expenses which may not be deducted include regular salary or overtime payments to contract or direct hire U.S. Government employees.
- b. Proceeds received may be deposited into the Suspense Deposits Abroad account 19X6809 until sale transactions are complete, such as sales documentation or invoices for selling expenses. Expenses are then withdrawn and the balance is transferred to the correct proceeds account.

## **4 FAH-3 H-323.2-3 Accounting for Proceeds**

*(TL:FMP-2; 04-30-1995)*

- a. The source of accounting data for proceeds is Form OF-158 General Receipt, and the accuracy of the data thereon is critical to the proper recording of proceeds in official accounting records. The accounting codes necessary to identify proceeds are detailed in 4 FAH-3 H-250.
- b. For real property sales, the accounting entry on the OF-158 receipt depends on the currency received as proceeds:
  - For proceeds in U.S. dollars, fund symbol 19X0535.
  - For proceeds in local currency, fund symbol 20FT210. (This credit is later sold by the USDO to FSA for credit to fund symbol 19X0535).
  - In either case, transaction codes in 4 FAH-1 are also entered to show the source of the proceeds, along with a complete description of the property sold.
- c. For personal property sales, the accounting entry on the OF-158 receipt is in dollars or the dollar equivalent if received in local currency. The fund symbol is 19X3845 or 19X0535 followed by transaction codes shown in 4 FAH-1, with a description of property sold or a reference to sales documents or sales records, showing source of the funds.

## **4 FAH-3 H-323.3 Utilization of Proceeds**

*(TL:FMP-2; 04-30-1995)*

- a. Proceeds of sale of real property generated and credited to 19X0535 are reallocated by the Foreign Buildings Office.
- b. Proceeds of sale of personal property generated and deposited to account 19F3845 are reallocated through regional bureaus or the Bureau of Diplomatic Security (DS) to posts for the purchase of similar replacement items following the procedures in 4 FAH-3 H-323.4-2.

## **4 FAH-3 H-323.3-1 Period of Availability**

*(TL:FMP-2; 04-30-1995)*

- a. The General Accounting Office prescribes that all proceeds from the sale of personal property will be available for obligation during the fiscal year in which the property was sold and for one fiscal year thereafter in order

to procure replacement property. (GAO Policy and Procedures Manual 7.5-8(D)).

- b. To be available for allotment and obligation purposes, the amounts of proceeds must have been received by the USDO and credited in the official accounts (19F3845), as reflected in the USDO's Statement of Transactions According To Appropriations, Funds, And Receipt Accounts (Foreign Service Account), (SF-1221). Posts should complete sales of personal property by May 31 and forward Form OF-158 receipts to the USDO immediately, to insure that sales are officially recorded.

#### **4 FAH-3 H-323.3-2 Overobligation of Proceeds**

*(TL:FMP-2; 04-30-1995)*

If an amount is obligated through September 30 for replacement property but a corresponding collection was not carried over or recorded, the obligation must be funded from the post's operating allowance rather than from proceeds of sale. As a general rule, replacements should not be obligated until the proceeds have been actually generated, recorded and allotted.

#### **4 FAH-3 H-323.4 Administrative Control of Proceeds of Sale and Replacement Property**

##### **4 FAH-3 H-323.4-1 Allotment of Proceeds of Sale Amount**

*(TL:FMP-2; 04-30-1995)*

- a. Each allottee post reviews the personal property requirements for itself and constituent posts for the following fiscal year. The post reports to the applicable regional bureau, DS or FBO its estimated sales and planned replacements for personal property. A negative response is required if the post does not anticipate generating proceeds of sale.
- b. If appropriations other than the Salaries and Expenses (19\_0113) or FBO (19X0535) appropriations are expected to be used to purchase replacement property, the above estimate is also reported to the applicable Bureau or Office.
- c. The Bureau or Office includes this estimated proceeds amount in the remarks section of the first Advice of Allotment issued to the post for the next fiscal year. Although this is a replacement funds authorization, it is a not-to-exceed amount which is contingent on actual proceeds being

generated in this amount. Since this allotment is issued on an estimated basis prior to generating the actual proceeds, procurement of replacements may take place prior to or after sales, provided total obligations through the applicable June 30 year-end do not exceed the total authorization.

- d. If a transaction includes a trade-in allowance, the amount allowed is shown as an offset on the payment voucher and the balance due is paid from available post funds. The amount received as a trade-in allowance is not deposited to account 19F3845, nor is it considered a charge against funds allotted as proceeds of sales.

#### **4 FAH-3 H-323.4-2 Use (Obligation) of Replacement Funds**

*(TL:FMP-2; 04-30-1995)*

- a. A key element in proceeds of sale is the concept of similarity of replacement items procured. Items are deemed "similar" when one of the following conditions exists:

- They are substantially alike in all material aspects and characteristics, excluding, condition, year, model, size or capacity, and manufacturer;
- They resemble each other in most material aspects and characteristics and are adaptable to the same or comparable purposes; and
- They constitute parts of, or for, assembled items, which items are similar, as indicated above.

- b. For funds control and obligation purposes, the working categories for similar items are defined by expense sub-object, that is, household furnishings for household furnishings, office furniture for office furniture, office equipment for office equipment, and the like.

- c. The post procures replacement items and executes a "certificate of similarity" signed by the procurement officer to support each voucher or requisition, which reads as follows:

"I certify that the replacements herein resemble in most material aspects and characteristics and are adaptable to the same or comparable uses as those items sold or to be sold."

- d. Detailed cross-reference between old and new items is not required for each voucher. In the absence of such cross-reference, there must be

made available, upon request, sufficient data to establish that the items acquired were similar to the items exchanged or sold, and that any exchange allowances or proceeds of sale applied in whole or in part payment were in fact available for such application.

- e. Since proceeds ultimately become allotted funds, the post must maintain a subsidiary record, by sub-object for each fiscal year, of the proceeds generated and obligations made against that year. The record should show the details of OF-158 receipts for proceeds and the obligation numbers for procurement documents to control funds available and provide sufficient documentation for future audit.

#### **4 FAH-3 H-323.4-3 Reporting Proceeds and Replacements**

*(TL:FMP-2; 04-30-1995)*

- a. By May 31, posts should finalize their plans for generating proceeds and anticipating replacement obligations to be recorded through June 30. This information is reported to the Regional Bureau or DS in order to allow the transfer of any unneeded proceeds to posts with replacement needs not covered by generated proceeds. The report identifies the type of personal property sold to meet the similarity requirements in 4 FAH-3 H-323.4-2 when the funds are used at another post. If the post expects to generate more proceeds than the original estimate, and obligations can be made by June 30, the post may request an increase in authorization from the applicable bureau.
- b. According to 40 U.S.C. 481(c), “agencies” may use the proceeds from sales of personal property for the purpose of purchasing similar replacement property. The Department therefore has the option of transferring unneeded funds between posts, regional bureaus, offices, or appropriations. This option provides the opportunity, assuming timely reporting by the posts, for the Department to make maximum use of proceeds of sale.

#### **4 FAH-3 H-323.4-4 Adjustment of Fund Balances**

*(TL:FMP-2; 04-30-1995)*

- a. By July 15, the post sends a telegram to the Department (FMP/F/DFS/FO/AR with a copy to the appropriate bureau) reporting cumulative totals through June 30 for proceeds of sales deposited and obligations of funds allotted for replacement personal property.
- b. This report is used to transfer funds at the Department level from the

19F3845 account to the related appropriation account for the amount of reimbursements earned as proceeds of sales. It is also used to withdraw prior year unobligated balances from the 19F3845 account for transfer to Treasury. These transactions have no effect on post accounts.

- c. The report is also used to reconcile proceeds deposited by posts to proceeds allotted by bureaus and offices, who then make final adjustments to post allotments for proceeds.

## **4 FAH-3 H-324 COLLECTION OF FOREIGN CURRENCY UNDER TERMS OF SETTLEMENT AGREEMENTS**

*(TL:FMP-2; 04-30-1995)*

- a. The U.S. Government concludes agreements with foreign governments which provide for annual payments of principal and interest in U.S. dollars. In addition, the agreements often provide that the U.S. Government may collect certain percentages or amounts in local currency for its requirements in the country.
- b. Each agreement specifies the method of computing the equivalent dollar value of the local currency received. When the local currency payment is received, the collecting post checks the exchange rate provisions of the agreement and the rate used by the debtor government, to determine that the rate is in accord with the agreement and is the most favorable the U.S. Government is entitled to receive. If there is any doubt about the rate, the post notifies the Department (FMP/F/IFS) promptly, explaining the reasons for the doubt.
- c. Such agreements require careful recording and reporting of host country payments on the part of Cashiers, Financial Management Officers, and Disbursing Officers.

## **4 FAH-3 H-325 REMITTANCES OF COLLECTED FUNDS**

### **4 FAH-3 H-325.1 Acceptance of Checks for Collections**

*(TL:FMP-2; 04-30-1995)*



- a. All checks received by any Government employee are accepted subject to collection and must be turned over to a cashier for processing. If any check cannot be collected in full or is lost or destroyed before collection, the accepting agency is responsible for obtaining the proper payment. A payment by check is not effective unless and until the full proceeds have been received.
- b. Persons drawing checks should be instructed to draw them payable to the American Embassy-Name of City overseas or the Department in the United States. Checks already made payable to the Treasurer of the United States need not be returned.
- c. When accepting a check for collection, the cashier or USDO obtains full information about the maker of the check, in accordance with SPUM Appendix A, Section 6.1, and enters it on Form OF-158 receipt.

## **4 FAH-3 H-325.2 Endorsement of Checks**

*(TL:FMP-2; 04-30-1995)*

The employee depositing checks is responsible for properly endorsing the reverse of the checks. USDOs provide the accepted notation to be entered.

## **4 FAH-3 H-325.3 Deposit of Checks**

*(TL:FMP-2; 04-30-1995)*

U.S. Disbursing Officers provide instructions for the deposit of checks. Detail procedures are also in SPUM Appendix A, Section 7.0.

## **4 FAH-3 H-325.4 Uncollectible Checks**

*(TL:FMP-2; 04-30-1995)*

For checks which are returned by the depositary as uncollectible, additional procedures are in SPUM Appendix A, Section 8.0.

## **4 FAH-3 H-326 *PUBLIC DIPLOMACY* RECYCLING FUNDS COLLECTED**

### **4 FAH-3 H-326.1 *Public Diplomacy* Recycling Funds Collected From the Public**

*(TL:FMP-19; 06-18-2003)*

U.S. government agencies are not permitted to charge or collect monies from the public unless specifically authorized to do so. Congress has given the Department “recycling” authority to credit to its appropriation fees and other payments received in connection with specific activities and expend the funds to support those activities, up to specific levels. Congressional authority for these purposes is included in annual appropriations to the Department. Current authority includes recycling for English teaching, library, motion pictures and publication programs, fees from educational advising and counseling, the sale of books under the Arabic book program, and exchange visitor program services.

## **4 FAH-3 H-326.2 Definitions**

*(TL:FMP-11; 10-01-1999)*

- a. Recycling is the process by which the Department and overseas posts exercise legal authority to charge and retain funds generated by English teaching activities, the sale of Agency and post publications, library and student advising fees, and other programs specifically authorized by Congress. The authority for each program is different and can be found in the corresponding section of the FAM. This handbook is a collection of the procedures for the programs authorized.
- b. The Recycling Ceiling is the overall limit or “cap” authorized by Congress annually on the amount of income which can be generated and retained by the Department. The Department establishes a recycling ceiling for each program and each post participating in one or more of the programs. Ceilings must be adhered to in order to avoid the Department as a whole exceeding its authorized limitation.

## **4 FAH-3 H-326.3 Program Guidance**

*(TL:FMP-11; 10-01-1999)*

Department program contact offices for the various recycling programs are:

- |     |                              |             |
|-----|------------------------------|-------------|
| (1) | English Teaching Programs    | ECA/A/L     |
| (2) | Student Advising             | ECA/A/S     |
| (3) | Information Resource Centers | R/IIP/G/IR  |
|     | Arabic Book Program          | R/IIP/G/NEA |

## **4 FAH-3 H-327 THROUGH H-329 UNASSIGNED**

## 4 FAH-3 H-321 EXHIBIT H-321.2 COLLECTIONS

(TL:FMP-9; 04-30-1998)

	Appropriation Repayments				General Fund Receipts		
	Refunds		Reimbursements		Collection	Symbol	
	Collection	Symbol	Collection	Symbol			
General Description	Refunds For Over payments Or Erroneous Payments		For Goods/Services Supplied To Another Agency		From Misc. Sources For Diverse Reasons		C T U
Credited At Level Of	Appropriat ion Allotment		Appropriation		Fund		
Immediat ely Available- Post	Yes		No-Not Subject To Re- Apportionment		No- Transferred To Treasury		9
Refundabl e	N/A		No		No—Except To Correct Errors		
Examples	Overpayme nt Of Pay, Allowance, Travel Re-imb. To Employee	19_011 3 Allotment Originally Charged	Interagency Agreement-FAAS Language Training	19_0113	Consular Fees Interest On Public Money	190830 191435	S F F A
	Overpaym ent For Goods/Service To Vendor, Lessor	19_011 3 Allotment	Rents Or Utilities From Ten ants Of USG— Owned Originally	19X0535	Rents Or Utilities From Tenants In Short-Term Leased Property	193220	D
	Erroneous Payment-See Examples Above	19_011 3 Allotment Charged	Loss of, Damage To USG— Owned Property	19X0535	Loss Damage To Property Funded From S&E*	193220	C F
	Unused Travel Advance	19_011 3 9XXX	Host Country Gift* Of Funds- Reimbursement Of Reparations To USG-Property	19X0535 (or) 19_0113 Which Paid For Repairs	Repatriatio n Loan Repayments	193220	D ( I

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	Appropriation Repayments				General Fund Receipts		Trust A
	Refunds		Reimbursements		Collection	Sy mbol	Collected
	Collection	Sy mbol	Collection	Sy mbol			
	Employees Personal Telephone Calls Billed To Embassy	19_ 0113 Allotment Charged	Medical Benefits Collected By Employees From Carriers In Same Fiscal Year As Dept. Payment	19_ 0113 6025	Government Transportation Home/Office	19 3220	Unconditional Gift Fund—G
			*Not Legally Required To Reimburse		Denied Boarding Compensation	19 3220	Conditional Gift Fund—G
					Proceeds Of Sales-Property Not To Be Replaced	19 3220	Conditional Gift Fund Host Country Gift* (Advance) Of For Reparation USG-Property
					Medical Benefits Collected By Employees After Fiscal Year Of Department Payment	19 3220	*Not Legally Required To Reimburse
					Interested Party Telegrams/Phone Calls	19 3220	
					Fees Collected By Embassy Health Units For Services To Nonofficial Personnel	19 3220	
					Gifts To The U.S.	19 1299	
					*Including Host Country Legally Required To Pay		